OLIVE BOULEVARD TRANSPORTATION DEVELOPMENT DISTRICT

FINANCIAL REPORT
(Audited)

Year Ended June 30, 2009

Page

INDEPENDENT AUDITORS' REPORT 1

MANAGEMENT'S DISCUSSION AND ANALYSIS 3

BASIC FINANCIAL STATEMENTS
Government-wide Financial Statements:
Statement of Net Assets - Modified Cash Basis 8
Statement of Activities - Modified Cash Basis 9
Fund Financial Statements:
Balance Sheet - Modified Cash Basis - Governmental Funds 10
Reconciliation of the Balance Sheet - Modified Cash Basis - Governmental Funds to the Statement of Net Assets - Modified Cash Basis 11
Statement of Revenues, Expenditures, and Changes in Fund Balances - Modified Cash Basis - Governmental Funds 12
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances - Modified Cash Basis - Governmental Funds to the Statement of Activities - Modified Cash Basis 13
Notes to Financial Statements 14

REQUIRED SUPPLEMENTAL INFORMATION
Schedules of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual - Modified Cash Basis:
General Fund 21
Special Assessment Fund 22
Notes to Schedules of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual - Modified Cash Basis 23

OTHER SUPPLEMENTAL INFORMATION
Schedules of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual - Modified Cash Basis:
Capital Projects Fund 25
Bond Payment Fund 26
Bond Redemption Fund 27
Debt Service Reserve Fund 28

INTERNAL CONTROL AND COMPLIANCE SECTION
Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards* 30

Hochschild, Bloom & Company LLP
Certified Public Accountants
Consultants and Advisors

INDEPENDENT AUDITORS' REPORT

November 24, 2009

Board of Directors
OLIVE BOULEVARD TRANSPORTATION DEVELOPMENT DISTRICT

We have audited the accompanying financial statements of the governmental activities and each major fund of the **OLIVE BOULEVARD TRANSPORTATION DEVELOPMENT DISTRICT** (the District) as of and for the year ended June 30, 2009, which collectively comprise the District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the District's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with U.S. generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

As described in Note A-3, the District prepares its financial statements on a modified cash basis, which is a comprehensive basis of accounting other than U.S. generally accepted accounting principles.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position - modified cash basis of the governmental activities and each major fund as of June 30, 2009, and the respective changes in financial position - modified cash basis thereof for the year then ended, on the basis of accounting described in Note A-3.

In accordance with *Government Auditing Standards*, we have also issued a report dated November 24, 2009 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and important for assessing the results of our audit.

The management's discussion and analysis and required supplemental information, as listed in the table of contents, are not a required part of the basic financial statements but are supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's financial statements. The other supplemental information, as listed in the table of contents, is presented for purposes of additional analysis and is not a required part of the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and, in our opinion, is fairly stated in all material respects, on the basis of accounting described in Note A-3, in relation to the financial statements taken as a whole.

Hochschild, Bloom + Company, LLP

CERTIFIED PUBLIC ACCOUNTANTS

As management of the Olive Boulevard Transportation Development District (the District), we offer readers of the District's financial statements this narrative overview and analysis of the financial activities of the District for the fiscal year ended June 30, 2009. We encourage readers to consider the information presented here in conjunction with the District's financial statements (attached).

FINANCIAL HIGHLIGHTS

- The liabilities of the District exceeded its assets at the close of the most recent fiscal year by $2,960,568 (net assets). This amount represents a $942,079 decrease from the prior year. The decrease is a result of transportation project expenditures.

- As of the close of the current fiscal year, the District's governmental funds reported ending fund balances of $1,907,675. Approximately 81% of this amount, $1,553,875, is available for spending at the District's discretion (unreserved fund balance).

- At the end of the current fiscal year, the unreserved fund balance for the General Fund was $162,081 or 681% of total General Fund expenditures.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the District's basic financial statements. The District's basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to financial statements. This report also contains required and other supplemental information in addition to the basic financial statements themselves.

Government-wide financial statements. The government-wide financial statements are designed to provide readers with a broad overview of the District's finances, in a manner similar to a private-sector business.

The statement of net assets - modified cash basis presents information on all of the District's assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the District is improving or deteriorating.

The statement of activities - modified cash basis presents information showing how the District's net assets changed during the most recent fiscal year.

Both of the government-wide financial statements distinguish functions of the District that are principally supported by sales tax. The governmental activities of the District include collection of sales tax, maintenance, and payment of debt, if any.

The government-wide financial statements can be found on pages 8 and 9 of this report.

Fund financial statements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The District, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The District only maintains governmental funds.

Governmental funds. Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental funds financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental funds balance sheet - modified cash basis and the governmental funds statement of revenues, expenditures, and changes in fund balances - modified cash basis provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The District maintains six governmental funds. Information is presented separately in the governmental funds balance sheet - modified cash basis and in the governmental funds statement of revenues, expenditures, and changes in fund balances - modified cash basis for the General Fund, Special Assessment Fund, Capital Projects Fund, Bond Payment Fund, Bond Redemption Fund, and Debt Service Reserve Fund, which are all considered to be major funds.

The District adopts an annual appropriated budget for all of its funds. A budgetary comparison statement has been provided for these funds to demonstrate compliance with their budget.

The basic governmental funds financial statements can be found on pages 10 through 13 of this report.

Notes to financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to financial statements can be found on pages 14 through 19 of this report.

Required supplemental information. This management's discussion and analysis and the General Fund and Special Assessment Fund budgetary comparison schedules represent financial information required by GASB to be presented. Such information provides users of this report with additional data that supplements the government-wide statements, fund financial statements, and notes (referred to as "the basic financial statements").

Other supplemental information. This part of the annual report includes optional financial information such as other budgetary comparison schedules. This other supplemental financial information is provided to address certain specific needs of various users of the District's annual report.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. In the case of the District, liabilities exceeded assets by $2,960,568 at the close of the most recent fiscal year.

By far the largest portion of the District's net assets reflect its debt. The District does not record capital assets because they do not own the assets the debt was issued to build.

A condensed version of the statement of net assets - modified cash basis is as follows:

	June 30		2009 Change	
	2009	2008	Amount	Percent
ASSETS				
Investments	$ 1,907,675	3,178,666	(1,270,991)	(40.0) %
Bond issue costs	200,362	210,380	(10,018)	(4.8)
Total Assets	2,108,037	3,389,046	(1,281,009)	(37.8)
LIABILITIES				
Due within one year	340,000	140,000	200,000	142.9
Due in more than one year	4,728,605	5,267,535	(538,930)	(10.2)
Total Liabilities	5,068,605	5,407,535	(338,930)	(6.3)
NET ASSETS (DEFICIENCY)				
Restricted	1,744,988	2,914,561	(1,169,573)	(40.1)
Unrestricted	(4,705,556)	(4,933,050)	227,494	4.6
Total Net Assets (Deficiency)	$ (2,960,568)	(2,018,489)	(942,079)	(46.7) %

Governmental activities. A condensed version of the statement of activities - modified cash basis is as follows:

	For The Years Ended June 30		2009 Change	
	2009	2008	Amount	Percent
REVENUES				
Program revenues:				
Operating grants and contributions	$ 112,500	-	112,500	100.0 %
General revenues:				
Sales tax	402,589	417,800	(15,211)	(3.6)
Special assessments	142,297	141,577	720	0.5
Investment income	34,554	160,397	(125,843)	(78.5)
Total Revenues	691,940	719,774	(27,834)	(3.9)
EXPENDITURES				
Administrative	109,430	156,351	(46,921)	(30.0)
Transportation development	1,294,763	1,614,564	(319,801)	(19.8)
Interest on long-term debt	229,826	237,363	(7,537)	(3.2)
Total Expenditures	1,634,019	2,008,278	(374,259)	(18.6)
CHANGE IN NET ASSETS	(942,079)	(1,288,504)	346,425	26.9
NET ASSETS (DEFICIENCY), JULY 1	(2,018,489)	(729,985)	(1,288,504)	(176.5)
NET ASSETS (DEFICIENCY), JUNE 30	$ (2,960,568)	(2,018,489)	(942,079)	(46.7) %

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

As noted earlier, the District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental funds. The focus of the District's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the District's financing requirements. In particular, unreserved fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the District's governmental funds reported combined ending fund balances of $1,907,675, a decrease of $1,270,991 from the prior year. The decrease is related to additional capital projects being completed.

GENERAL FUND BUDGETARY HIGHLIGHTS

The District did not revise its budget for the year. Revenues were $3,092 below the budgeted amount of $406,700. Expenditures were $20,000 below the budgeted amount of $43,798. Other financing uses were $98,482 above the budgeted amount of $285,718.

LONG-TERM DEBT

At the end of the current fiscal year, the District had net debt outstanding of $5,068,605. This amount is transportation sales tax and special assessment revenue bonds and a note payable.

Additional information can be found in Note C in the notes to financial statements.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

Sales tax and special assessments are the main source of revenue for the District at approximately 79% of total revenues. Interest revenue is expected to make up the remainder of revenues. Capital outlay and debt service will require the greatest usage of resources. These factors were considered in preparing the District's 2010 budget.

REQUESTS FOR INFORMATION

This financial report is designed to provide our residents and taxpayers with a general overview of the District's finances and to show the District's accountability for the money it receives. If you have any questions about this report or need additional financial information, please contact Linda Aubuchon at 314-621-5070.

OLIVE BOULEVARD TRANSPORTATION DEVELOPMENT DISTRICT

STATEMENT OF NET ASSETS - MODIFIED CASH BASIS

JUNE 30, 2009

	Governmental Activities
ASSETS	
Investments	$ 1,671,052
Investments - restricted for debt service	236,623
Bond issue costs (net of accumulated amortization of $40,072)	200,362
Total Assets	2,108,037
LIABILITIES	
Noncurrent liabilities:	
Due within one year	340,000
Due in more than one year	4,728,605
Total Liabilities	5,068,605
NET ASSETS (DEFICIENCY)	
Restricted for:	
Capital projects	1,387,582
Debt service	240,229
Protested special assessments	117,177
Unrestricted	(4,705,556)
Total Net Assets (Deficiency)	$ (2,960,568)

See notes to financial statements

OLIVE BOULEVARD TRANSPORTATION DEVELOPMENT DISTRICT

STATEMENT OF ACTIVITIES - MODIFIED CASH BASIS

FOR THE YEAR ENDED JUNE 30, 2009

FUNCTIONS/PROGRAMS	Expenses	Program Revenues Operating Grants And Contributions	Net Revenues (Expenses) And Change In Net Assets
Governmental Activities			
Administrative	$ 109,430	-	(109,430)
Transportation development	1,294,763	112,500	(1,182,263)
Interest on long-term debt	229,826	-	(229,826)
Total Governmental Activities	$ 1,634,019	112,500	(1,521,519)
General Revenues			
Sales tax			402,589
Special assessments			142,297
Investment income			34,554
Total General Revenues			579,440
CHANGE IN NET ASSETS			(942,079)
NET ASSETS (DEFICIENCY), JULY 1			(2,018,489)
NET ASSETS (DEFICIENCY), JUNE 30			$ (2,960,568)

See notes to financial statements

OLIVE BOULEVARD TRANSPORTATION DEVELOPMENT DISTRICT

BALANCE SHEET - MODIFIED CASH BASIS - GOVERNMENTAL FUNDS

JUNE 30, 2009

	General Fund	Special Assessment Fund	Capital Projects Fund	Bond Payment Fund	Bond Redemption Fund	Debt Service Reserve Fund	Total Governmental Funds
ASSETS							
Investments	$ 162,081	117,783	1,387,582	-	3,606	-	1,671,052
Investments - restricted for debt service	-	-	-	-	-	236,623	236,623
Total Assets	$ 162,081	117,783	1,387,582	-	3,606	236,623	1,907,675
LIABILITIES AND FUND BALANCES							
Liabilities	$ -	-	-	-	-	-	-
Fund Balances							
Unreserved, reported in:							
General Fund	162,081	-	-	-	-	-	162,081
Special Revenue Fund	-	606	-	-	-	-	606
Capital Projects Fund	-	-	1,387,582	-	-	-	1,387,582
Debt Service Funds	-	-	-	-	3,606	-	3,606
Reserved for debt service	-	-	-	-	-	236,623	236,623
Reserved for protested special assessments	-	117,177	-	-	-	-	117,177
Total Fund Balances	162,081	117,783	1,387,582	-	3,606	236,623	1,907,675
Total Liabilities And Fund Balances	$ 162,081	117,783	1,387,582	-	3,606	236,623	1,907,675

See notes to financial statements

OLIVE BOULEVARD TRANSPORTATION DEVELOPMENT DISTRICT

RECONCILIATION OF THE BALANCE SHEET - MODIFIED CASH BASIS - GOVERNMENTAL FUNDS TO THE STATEMENT OF NET ASSETS - MODIFIED CASH BASIS

JUNE 30, 2009

Total Fund Balances - Governmental Funds	$ 1,907,675
Amounts reported for governmental activities in the statement of net assets are different because:	
Other long-term assets are not available to pay for current period expenditures and, therefore, are not reported in the governmental funds:	
Bond issuance costs, net	200,362
Certain long-term liabilities are not due and payable in the current period and, therefore, are not reported as liabilities in the governmental funds. Long-term liabilities at year-end consist of:	
Note payable	(700,000)
Revenue bonds	(4,390,000)
Discount on revenue bonds, net	21,395
Net Assets (Deficiency) Of Governmental Activities	$ (2,960,568)

See notes to financial statements

OLIVE BOULEVARD TRANSPORTATION DEVELOPMENT DISTRICT

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - MODIFIED CASH BASIS - GOVERNMENTAL FUNDS

FOR THE YEAR ENDED JUNE 30, 2009

	General Fund	Special Assessment Fund	Capital Projects Fund	Bond Payment Fund	Bond Redemption Fund	Debt Service Reserve Fund	Total Governmental Funds
REVENUES							
Sales tax	$ 402,589	-	-	-	-	-	402,589
Special assessments	-	142,297	-	-	-	-	142,297
Investment income	1,019	685	30,543	211	365	1,731	34,554
Miscellaneous	-	-	112,500	-	-	-	112,500
Total Revenues	403,608	142,982	143,043	211	365	1,731	691,940
EXPENDITURES							
Administrative	23,798	-	85,632	-	-	-	109,430
Capital outlay	-	-	1,294,763	-	-	-	1,294,763
Debt service:							
Principal	-	-	-	-	340,000	-	340,000
Interest	-	-	-	218,738	-	-	218,738
Total Expenditures	23,798	-	1,380,395	218,738	340,000	-	1,962,931
REVENUES OVER (UNDER) EXPENDITURES	379,810	142,982	(1,237,352)	(218,527)	(339,635)	1,731	(1,270,991)
OTHER FINANCING SOURCES (USES)							
Transfers in	-	-	-	218,329	338,815	-	557,144
Transfers out	(384,200)	(167,369)	-	-	-	(5,575)	(557,144)
Total Other Financing Sources (Uses)	(384,200)	(167,369)	-	218,329	338,815	(5,575)	-
NET CHANGES IN FUND BALANCES	(4,390)	(24,387)	(1,237,352)	(198)	(820)	(3,844)	(1,270,991)
FUND BALANCES, JULY 1	166,471	142,170	2,624,934	198	4,426	240,467	3,178,666
FUND BALANCES, JUNE 30	$ 162,081	117,783	1,387,582	-	3,606	236,623	1,907,675

See notes to financial statements

OLIVE BOULEVARD TRANSPORTATION DEVELOPMENT DISTRICT

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - MODIFIED CASH BASIS - GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES - MODIFIED CASH BASIS

FOR THE YEAR ENDED JUNE 30, 2009

Net Changes In Fund Balances - Governmental Funds	$ (1,270,991)
Amounts reported for governmental activities in the statement of activities are different because:	
Under the modified cash basis of accounting used in the governmental funds financial statements, expenditures are not recognized for transactions that are not normally paid with expendable available financial resources. In the statement of activities, however, which is presented on the modified cash basis of accounting, expenses and liabilities are reported regardless of when financial resources are available. The net changes of these items are:	
Discount on bond issuance - amortization	(1,070)
Bond issuance costs - amortization	(10,018)
The issuance of long-term debt (e.g., revenue bonds) provides current financial resources to the governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of the governmental funds, however, it has no effect on net assets. This amount is the net effect of these differences in the treatment of long-term debt:	
Bond principal payments	340,000
Change In Net Assets Of Governmental Activities	$ (942,079)

See notes to financial statements

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The **OLIVE BOULEVARD TRANSPORTATION DEVELOPMENT DISTRICT** (the District), organized September 2004, is a political subdivision duly organized under the laws of the State of Missouri. The District operates under the direction of a Board of Directors. The District was formed for the purpose of construction of certain transportation projects to serve a new retail development project in the City of Creve Coeur, Missouri (the City). Generally, the District is authorized to impose a sales tax of 1/2% within its boundaries and issue revenue bonds payable from this sales tax.

The more significant accounting policies consistently applied by the District in the preparation of the accompanying financial statements are summarized below:

1. Reporting Entity

In evaluating the District as a reporting entity, management has addressed all component units for which the District may or may not be financially accountable and, as such, be includable within the District's financial statements. In accordance with GASB Statement No. 14, the District (the primary government) is financially accountable if it appoints a voting majority of the organization's governing board and 1) it is able to impose its will on the organization or 2) there is a potential for the organization to provide specific financial benefit to or impose specific burden on the District. Additionally, the primary government is required to consider other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete. There are no component units to be included in the District's reporting entity.

2. Government-wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net assets - modified cash basis and the statement of activities - modified cash basis) report information on all of the nonfiduciary activities of the primary government. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. The District has no business-type activities.

The statement of activities - modified cash basis demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2. Government-wide and Fund Financial Statements (Continued)

Separate financial statements are provided for governmental funds. Major individual governmental funds are reported as separate columns in the fund financial statements.

3. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

Measurement focus is a term used to describe "how" transactions are recorded within the various financial statements. Basis of accounting refers to "when" transactions are recorded regardless of the measurement focus applied.

Measurement Focus

In the government-wide statement of net assets - modified cash basis and the statement of activities - modified cash basis, governmental activities are presented using the economic resources measurement focus, within the limitations of the modified cash basis of accounting.

In the fund financial statements, all governmental funds utilize a "current financial resources" measurement focus as applied to the modified cash basis of accounting. Only current financial assets and liabilities are generally included on their balance sheets. Their operating statements present sources and uses of available spendable financial resources during a given period. These funds use fund balance as their measure of available spendable financial resources at the end of the period.

Basis of Accounting

In the government-wide statement of net assets - modified cash basis and statement of activities - modified cash basis and the fund financial statements, governmental activities are presented using a modified cash basis of accounting. This basis recognizes assets, liabilities, net assets, revenues, and expenditures/expenses when they result from cash transactions with a provision for depreciation in the government-wide statements. This basis is a comprehensive basis of accounting other than U.S. generally accepted accounting principles.

As a result of the use of this modified cash basis of accounting, certain assets and their related revenues (such as accounts receivable) and certain liabilities and their related expenses (such as accounts payable and expenses for goods or services received but not yet paid and accrued expenses and liabilities) are not recorded in these financial statements.

If the District utilized the basis of accounting recognized as U.S. generally accepted accounting principles, the fund financial statements for governmental funds would use the

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

3. Measurement Focus, Basis of Accounting, and Financial Statement Presentation (Continued)

modified accrual basis of accounting. All government-wide statements would be presented on the accrual basis of accounting.

The District reports the following major governmental funds:

General Fund -- This fund is the general operating fund of the District. It is used to account for all financial resources except those required to be accounted for in another fund.

Special Assessment Fund -- This fund is used to account for the special assessments which are used to repay debt.

Capital Projects Fund -- This fund is to be used for the acquisition, construction, or maintenance of major capital facilities and public improvements.

Bond Payment Fund -- This fund is used to account for the payment of debt interest and related costs.

Bond Redemption Fund -- This fund is used to account for the payment of debt principal.

Debt Service Reserve Fund -- This fund is to be used solely for the payment of interest on the bonds if moneys otherwise available for such purpose are insufficient to pay the interest as it becomes due.

4. Investments

Investments are stated at fair value.

5. Amortization

In government-wide financial statements, bond discounts are recorded as a reduction of the debt obligation and bond issuance costs are recorded as an asset. Such amounts are amortized over the term of the related bonds.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Discounts on debt issuances are reported as other financing uses. Issuance costs are reported as debt service expenditures.

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

6. Concentrations

The District relies solely on sales tax and special assessments revenues from stores within the District.

7. Risk Management

The District is exposed to various risks of loss, however, management believes that there are no significant losses requiring insurance.

8. Use of Estimates

The preparation of basic financial statements requires management to make estimates and assumptions that affect the amounts reported in the basic financial statements and the accompanying notes. Actual results could differ from those estimates.

NOTE B - INVESTMENTS

State statutes and debt covenants authorize the District to invest in obligations of the U.S. Treasury, U.S. agencies, various state and local governments, commercial paper, repurchase agreements, and various other investment types.

As of June 30, 2009, the District had the following investments:

Investments	Fair Market Value	No Maturity	Less Than One Year	Credit Risk
Primary Government				
Money market mutual funds	$ 629,667	629,667	-	N/A
Certificates of deposit	1,278,008	-	1,278,008	N/A
Total Primary Government Investments	$1,907,675	629,667	1,278,008	

Investments Policies

Credit Risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The District does not have a written investment policy covering credit risk.

Interest Rate Risk is the risk that changes in interest rates will adversely affect the fair value of an investment. Investments held for longer periods are subject to increased risk of adverse interest rate changes. The District does not have a written investment policy covering interest rate risk.

NOTE B - INVESTMENTS (Continued)

Concentration of Credit Risk is the risk of loss attributed to the magnitude of the District's investment in a single issuer. The District does not have a written investment policy covering concentration of credit risk.

NOTE C - LONG-TERM DEBT

Bonds payable consisted of the following:

	June 30 2009
2005 transportation sales tax and special assessment revenue bonds of $5,090,000, interest rate of 4.5% to 4.875%, payable semi-annually April 1 and October 1, final maturity October 1, 2029.	$4,390,000
Note payable with no stated interest rate and no stated maturity date	700,000
	$5,090,000

The revenue bonds, which are limited obligations of the District, are payable solely from certain bond proceeds sales tax and other certain revenues as provided in the indenture. The bonds do not constitute a general obligation of the District, the state or any political subdivision of the state, or the Missouri Highways and Transportation Commission.

The District entered into an agreement with the developer and two of the property owners for a note payable in the amount of $700,000 in order to complete a specific project. The loan, which is contingent upon the formation of another transportation development district, will be repaid upon the issuance of subordinate notes or bonds, a portion of which will be secured by tax revenues of the other transportation development district.

The following is a summary of the changes in the District's long-term debt:

	For The Year Ended June 30, 2009				Amounts
	Balance June 30 2008	Additions	Reductions	Balance June 30 2009	Due Within One Year
Revenue bonds	$4,730,000	-	340,000	4,390,000	340,000
Less - Discount	(22,465)	-	(1,070)	(21,395)	-
Note payable	700,000	-	-	700,000	-
	$5,407,535	-	338,930	5,068,605	340,000

NOTE D - MISCELLANEOUS REVENUE

During the year ended June 30, 2009, AmerenUE paid $112,500 to the District to help fund the burial of electrical lines within the District.

NOTE E - COMMITMENTS

At June 30, 2009, the District was committed to construction contracts in the amount of $179,583.

NOTE F - SUBSEQUENT EVENTS

Management has evaluated subsequent events through November 24, 2009, the date which the financial statements were available for issue.

NOTE G - PRIOR PERIOD ADJUSTMENT

The previously stated net assets (deficiency)/fund balance have been adjusted as follows:

	Governmental Activities	Special Assessment Fund
Net assets/fund balance, June 30, 2008, as previously reported	($2,063,310)	97,349
Revenue recognition - special assessments	44,821	44,821
Net Assets (Deficiency)/Fund Balance, June 30, 2008, As Restated	($2,018,489)	142,170

REQUIRED SUPPLEMENTAL INFORMATION SECTION

OLIVE BOULEVARD TRANSPORTATION DEVELOPMENT DISTRICT

REQUIRED SUPPLEMENTAL INFORMATION - SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCE - BUDGET AND ACTUAL - MODIFIED CASH BASIS - GENERAL FUND

FOR THE YEAR ENDED JUNE 30, 2009

	Original And Final Budget	Actual	Over (Under) Budget
REVENUES			
Sales tax	$ 405,000	402,589	(2,411)
Investment income	1,700	1,019	(681)
Total Revenues	406,700	403,608	(3,092)
EXPENDITURES			
Administrative	43,798	23,798	(20,000)
REVENUES OVER EXPENDITURES	362,902	379,810	16,908
OTHER FINANCING USES			
Transfers out	(285,718)	(384,200)	(98,482)
NET CHANGE IN FUND BALANCE	$ 77,184	(4,390)	(81,574)
FUND BALANCE, JULY 1		166,471	
FUND BALANCE, JUNE 30		$ 162,081	

OLIVE BOULEVARD TRANSPORTATION DEVELOPMENT DISTRICT

REQUIRED SUPPLEMENTAL INFORMATION - SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCE - BUDGET AND ACTUAL - MODIFIED CASH BASIS - SPECIAL ASSESSMENT FUND FOR THE YEAR ENDED JUNE 30, 2009

	Original And Final Budget	Actual	Over (Under) Budget
REVENUES			
Special assessments	$ 141,577	142,297	720
Investment income	1,669	685	(984)
Total Revenues	143,246	142,982	(264)
OTHER FINANCING USES			
Transfers out	(122,451)	(167,369)	(44,918)
NET CHANGE IN FUND BALANCE	$ 20,795	(24,387)	(45,182)
FUND BALANCE, JULY 1		142,170	
FUND BALANCE, JUNE 30		$ 117,783	

Budgetary Data

The District follows these procedures in establishing the budgetary data reflected in the financial statements:

a. The proposed budget is submitted to the Board of Directors. The operating budget includes proposed expenditures and means of financing them, not to exceed the total revenue of the preceding year plus any unreserved balance at the end of such year. Budgets are adopted for all funds.
b. The budget must be adopted by the Board of Directors prior to the beginning of the fiscal year.
c. Budget amendments must be approved by the Board of Directors.
d. All annual appropriations lapse at fiscal year-end.

OTHER SUPPLEMENTAL INFORMATION SECTION

OLIVE BOULEVARD TRANSPORTATION DEVELOPMENT DISTRICT

OTHER SUPPLEMENTAL INFORMATION - SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCE - BUDGET AND ACTUAL - MODIFIED CASH BASIS - CAPITAL PROJECTS FUND FOR THE YEAR ENDED JUNE 30, 2009

	Original And Final Budget	Actual	Over (Under) Budget
REVENUES			
Investment income	$ 40,000	30,543	(9,457)
Miscellaneous	112,000	112,500	500
Total Revenues	152,000	143,043	(8,957)
EXPENDITURES			
Administrative	120,000	85,632	(34,368)
Capital outlay	2,557,069	1,294,763	(1,262,306)
Total Expenditures	2,677,069	1,380,395	(1,296,674)
NET CHANGE IN FUND BALANCE	$ (2,525,069)	(1,237,352)	1,287,717
FUND BALANCE, JULY 1		2,624,934	
FUND BALANCE, JUNE 30		$ 1,387,582	

OLIVE BOULEVARD TRANSPORTATION DEVELOPMENT DISTRICT

OTHER SUPPLEMENTAL INFORMATION - SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCE - BUDGET AND ACTUAL - MODIFIED CASH BASIS - BOND PAYMENT FUND FOR THE YEAR ENDED JUNE 30, 2009

	Original And Final Budget	Actual	Over (Under) Budget
REVENUES			
Investment income	$ 455	211	(244)
EXPENDITURES			
Administrative	110	-	(110)
Debt service - interest	220,665	218,738	(1,927)
Total Expenditures	220,775	218,738	(2,037)
REVENUES UNDER EXPENDITURES	(220,320)	(218,527)	1,793
OTHER FINANCING SOURCES			
Transfers in	220,320	218,329	(1,991)
NET CHANGE IN FUND BALANCE	$ -	(198)	(198)
FUND BALANCE, JULY 1		198	
FUND BALANCE, JUNE 30		$ -	

OLIVE BOULEVARD TRANSPORTATION DEVELOPMENT DISTRICT

OTHER SUPPLEMENTAL INFORMATION - SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCE - BUDGET AND ACTUAL - MODIFIED CASH BASIS - BOND REDEMPTION FUND

FOR THE YEAR ENDED JUNE 30, 2009

	Original And Final Budget	Actual	Over (Under) Budget
REVENUES			
Investment income	$ 775	365	(410)
EXPENDITURES			
Administrative	70	-	(70)
Debt service - principal	195,000	340,000	145,000
Total Expenditures	195,070	340,000	144,930
REVENUES UNDER EXPENDITURES	(194,295)	(339,635)	(145,340)
OTHER FINANCING SOURCES			
Transfers in	194,181	338,815	144,634
NET CHANGE IN FUND BALANCE	$ (114)	(820)	(706)
FUND BALANCE, JULY 1		4,426	
FUND BALANCE, JUNE 30		$ 3,606	

OLIVE BOULEVARD TRANSPORTATION DEVELOPMENT DISTRICT

OTHER SUPPLEMENTAL INFORMATION - SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCE - BUDGET AND ACTUAL - MODIFIED CASH BASIS - DEBT SERVICE RESERVE FUND FOR THE YEAR ENDED JUNE 30, 2009

	Original And Final Budget	Actual	Over (Under) Budget
REVENUES			
Investment income	$ 5,970	1,731	(4,239)
EXPENDITURES			
Administrative	189	-	(189)
REVENUES OVER EXPENDITURES	5,781	1,731	(4,050)
OTHER FINANCING USES			
Transfers out	(6,332)	(5,575)	(757)
NET CHANGE IN FUND BALANCE	$ (551)	(3,844)	(3,293)
FUND BALANCE, JULY 1		240,467	
FUND BALANCE, JUNE 30		$ 236,623	

INTERNAL CONTROL AND COMPLIANCE SECTION

Hochschild, Bloom & Company LLP
Certified Public Accountants
Consultants and Advisors

REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

November 24, 2009

Board of Directors
OLIVE BOULEVARD TRANSPORTATION DEVELOPMENT DISTRICT

We have audited the financial statements of the governmental activities and each major fund of the **OLIVE BOULEVARD TRANSPORTATION DEVELOPMENT DISTRICT** (the District) as of and for the year ended June 30, 2009, which collectively comprise the District's basic financial statements and have issued our report thereon dated November 24, 2009. We conducted our audit in accordance with U.S. generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the District's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over financial reporting.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the District's ability to initiate, authorize, record, process, or report financial data reliably in accordance with U.S. generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the District's financial statements that is more than inconsequential will not be prevented or detected by the District's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the District's internal control.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards.*

We noted certain matters that we have reported to management of the District in a separate letter dated November 24, 2009.

This report is intended solely for the information and use of management and the Board of Directors, and is not intended to be and should not be used by anyone other than these specified parties.

Hochschild, Bloom & Company LLP
CERTIFIED PUBLIC ACCOUNTANTS